UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/022,438	12/20/2001	Allison Stoltz	52493.000230	5099

21967   7590   07/09/2008
HUNTON & WILLIAMS LLP
INTELLECTUAL PROPERTY DEPARTMENT
1900 K STREET, N.W.
SUITE 1200
WASHINGTON, DC 20006-1109

EXAMINER
ROBERTSON, DAVID

ART UNIT	PAPER NUMBER
3623	

MAIL DATE	DELIVERY MODE
07/09/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on _09 April 2008_.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) _1-6,9-17 and 20-26_ is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _1-6,9-17 and 20-26_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

1.   This is a Non-final office action in response to Applicant's reply of 4/9/2008.

Claims 1-6, 9-17, 20-26 are pending. This action is made non-final to enter new

grounds of rejection as to 35 USC § 101.

Response to Amendment

2.   Applicant amends claim 25. This amendment is addressed in the rejections to

follow.

Response to Arguments

3.   Applicant's arguments filed 4//2008 have been fully considered but they are not

persuasive:

        Applicant's essential argument is that Barton et al. (US Pat. Pub. 2002/0059093)

cannot teach *determining an occurrence index based on the potential consequence of*

non-compliance in the manner of and to the effect disclosed by the present invention.

Applicant argues that Barton "must provide more association than the possibility of

failure" to teach an *occurrence index based on the potential consequence of non-*

compliance. (Remarks, pages 10).

        Examiner respectfully disagrees: Looking to the specification, Applicant discloses

an example of an Occurrence Index as contemplated by the present invention as

including a measure of the "total number of agents or employees" or the "number of

policies in force" or the "number of policies issued in the past 12 months." (See page

11). This occurrence index as disclosed is based on values one of ordinary skill in the art would recognize as proportional to an increased possibility of non-compliance (more employees, more policies leads to greater chance of non-compliance). Broadest reasonable interpretation of an *occurrence index*, therefore, encompasses an occurrence index as based on a possibility of non-compliance. One of ordinary skill would also recognize that the *possibility of non-compliance* and the *probability of a compliance failure* are equivalent descriptions of an adverse event as contemplated by both the present invention and by Barton.

Even giving weight to Applicant's argument that the association between the claimed occurrence index and potential consequence of non-compliance is "too attenuated to fairly reject the claimed feature under 35 U.S.C. 102," Examiner notes that the method of the present invention as claimed in all its embodiments assures nothing more than that a user will be presented with a series of questions; the user will be solicited for a response to the questions with a "yes" or "no" or scale-rated value; three values will be determined based on the user responses; and the series of questions will be prioritized based on the value computed from product of the three index values.

As such, the method cannot assure any meaningful relation between the chosen responses of the users and the index values calculated from the user responses as there is no relation between the questions asked and the consequences or severity of non-compliance, and further, because there is no assurance that user's will respond in a manner leading to the intended risk score being relative to the actual risks present in the

business environment, even if such questions were designed to elicit the intended

response.

In this light, Barton provides more than ample teaching of the present invention.

Barton (Figure 14) expressly teaches surveying users with sets of questions,

determining a detection rating, an occurrence rating, and a severity rating and

calculating a risk score (the RPN or risk priority number) from the three values (¶

[0086]). RPN (risk priority number) using the product of a severity, occurrence, and

detection index is old and well known in the art of assessing risk and prioritizing

attention to issues (see e.g. Kara-Kaitri, "An Improved FMEA Methodology," 1991).

4.   Accordingly, the grounds of rejection over all claims as in the prior office action

are maintained.

Claim Rejections - 35 USC § 112

5.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly
> claiming the subject matter which the applicant regards as his invention.

6.   Claim 25 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite

for failing to particularly point out and distinctly claim the subject matter which applicant

regards as the invention.

Claim 25 as now amended recites *...determining a detection index based directly*

on the number of responses... However, it is unclear how the term *directly* modifies the

determining such that *based directly on* compared to simply *based on* is a distinct

concept or further limiting to the determining step. As such the limitation is indefinite.

For purposes of examination, the phrases in limitations reciting *based directly on* will be

given the broadest reasonable interpretation of simply *based on.*

Claim 25 also now recites *the total risk score...such that the higher the total risk*

score the more severe the risk of non-compliance. However, it is unclear how the

phrase *such that...* further limits the total risk score which is calculated from the three

indices. For purposes of examination, the phase will be afforded the patentable weight

accorded for an intended result.

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of
> matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the
> conditions and requirements of this title.

8. Claims 1-6, 9, and 21-26 are rejected under 35 U.S.C. 101 based on Supreme

Court precedent, and recent Federal Circuit decisions. For a process to be patentable

subject matter under § 101 the process must (1) be tied to another statutory class of

invention (such as a particular apparatus) or (2) transform subject matter to a different

state or thing. See Diamond v. Diehr, 450 US 175, 184 (1981); Parker v Flook, 437 US

584, 588 n9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener,

94 US 780, 787-88 (1876). If neither of these requirements is met by the claim, the

method is not a patent eligible process. To qualify under § 101 as a statutory process,

the claim should positively recite the other statutory class (the thing or product) to which

it is tied, for example by identifying the apparatus that accomplishes the method steps,

or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

In the present case, claims 1 and 24 recite: *A method for use in compliance management, comprising…presenting…; soliciting…; determining…; and prioritizing,* each *via a computer network.* However, nominal recitation of a computer network in trivial or incidental steps of a process claim does not constitute a sufficient tie to a particular apparatus. A broadest reasonable interpretation of the present claims is that any and all steps could be practiced by hand, by mental steps, or by a human using a computer in some nominal fashion, such as entering, displaying, or transmitting data *via the computer network.*

Therefore, though reciting *a computer network* in the body of the claim, this still does not create a sufficient tie of the method (a process claim) to a particular apparatus because *presenting, soliciting, and prioritizing, <u>via a computer network</u>* merely recite data presentation, data gathering, and transmitting steps. Lacking a sufficient tie to another statutory class, claims 1 and 24 are nonstatutory subject matter.

None of dependent claims 2-6, 9 or 21-26 recites any specific step performed by a particular apparatus and are similarly deficient.

Appropriate amendment is required.

9.   Claim 10-17 and 20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 10 recites: *A system for use in compliance management, comprising: a query module…; and a prioritization*

module... However, a system without structure where the components of the system

are disclosed as computer software *per se* is non-statutory per se. Claims 11-17 and

29 depend from claim 10 and are similarly deficient.

Appropriate amendment is required.

Claim Rejections - 35 USC § 102

4.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5.   Claims 1-6, 9-17, 20, 22, and 25-26 are rejected under 35 U.S.C. 102(e) as being

anticipated by Barton et al. (U.S. 2002/0059093).

As per claim 1, Barton et al. teaches a method for use in compliance

management, comprising:

presenting, via a computer network, a user with a series of questions relating to

at least one business category (See figure 11, paragraphs 0010, 0012-0014, 0049,

0051, wherein questions are presented via the network concerning compliance risk);

soliciting, via the computer network, a response from the user for each question

presented (See paragraphs 0010, 0012-0014, 0049, 0051, 0060, wherein the questions

are answered);

determining a detection index based on the number of responses and

corresponding answers to each of the series of questions (See paragraphs 0013-0014,

0060, 0081, and 0084, wherein detection is determined based on the responses

received (and there answers) to a questionnaire. The system tracks when responses

are received. The answers corresponding to the questions are used to perform

calculations);

determining an occurrence index based on the potential consequence of non-

compliance (See paragraphs 0007, 0081, and 0084, wherein occurrence index is

determined);

determining a standard severity risk index based on the expected severity of non-

compliance (See paragraphs 0068, 0072-3, 0075, 0081, 0084, wherein severity indexes

are considered); and

prioritizing, via the computer network, the at least one business category based

on the user's responses and at least one total risk score comprising the product of the

detection, occurrence, and standard severity risk indices (See paragraphs 0081, 0084-

0087, wherein a risk score is calculated based on these factors. See also paragraphs

0068-0069, 0072, 0081, 0090-0091, where risk prioritization numbers are generated to

determine the order to handle the risk areas of the business).

As per claim 2, Barton et al. discloses wherein the user response comprises a

"Yes" or "No" (See paragraphs 0060 and 0064, wherein the questions are answered

yes/no).

As per claim 3, Barton et al. discloses wherein the at least one standard severity risk index comprises a number between 1 and 10 corresponding to a specific level of risk (See paragraph 0060, 0068, 0072-0075, wherein severity is valued 1-10).

As per claim 4, Barton et al. discloses wherein the number "1" comprises the lowest level of risk severity, and the number "10" the highest level of severity (See paragraph 0060, 0068, 0072-0075, wherein 1 is low and 10 is high severity).

As per claim 5, Barton et al. teaches wherein the at least one standard severity risk index corresponds to the at least one business category (See paragraph 0040, 0060, 0068, 0072-0075, which corresponds to at least one business category. See also figure 11).

As per claim 6, Barton et al. discloses the step of determining a detection index based on the user's responses, and the number of users (See paragraphs 0065 and 0084, wherein the detection index is determined based on the responses from the at least one user). Barton et al. also generates a score based on the number of questions presented (i.e. "opps") (See paragraphs 0065 and 0084, where the number of questions presented (i.e. opportunities) are used to determine a score).

As per claim 9, Barton et al. teaches ranking the at least one business category based on the at least one total risk score (See paragraphs 0081, 0084-0087, wherein a risk score is calculated. See also paragraphs 0068-9, 0072-0075, 0081, 0090-0091, where risk is prioritized).

As per claim 10, Barton et al. teaches a system for use in compliance management, comprising:

a query module associated with an engine for presenting at least one user with a
series of questions relating to at least one business category, and for soliciting and
receiving responses from the at least one user for each question presented (See figure
11, paragraphs 0010, 0012-0014, 0049, 0051, 0060, wherein questions are presented
via the network concerning compliance risk and answers are received);;

a prioritization module associated with the engine for: (1) determining a detection
index based on the number of responses to each of the series of questions, determining
an occurrence index based on the potential consequence of non-compliance, and
determining a standard severity risk index based on the expected severity of non-
compliances (See paragraphs 0068, 0072-0073, 0075, 0081, 0084, wherein a detection,
occurrence, and severity index are determined) and (2) prioritizing the at least one
business category based on the at least one user's responses and at least one total risk
score comprising the product of a detection, occurrence and standard severity risk
indices (See paragraphs 0081, 0084-0087, wherein a risk score is calculated based on
these factors. See also paragraphs 0068-0069, 0072, 0081, 0090-0091, where risk
prioritization numbers are generated to determine the order to handle the risk areas of
the business).

As per claim 11, Barton et al. teaches wherein the series of questions are
presented to the user over a communications network (See figure 11, paragraphs 0010,
0012-4, 0049, 0051, and 0060, wherein questions are presented via the network).

As per claim 12, Barton et al. teaches wherein an administration module
associated with the engine for inputting, updating and accessing data associated with

the query and prioritization modules, the administration module being accessible to an

administrator of the system via an administration interface (See paragraphs 0012-3,

0048-51, 0060, 0064, wherein an administrator and interface is disclosed).

Claims 13-17 and 20 recite equivalent limitations to claims 2-6 and 9,

respectively, and are therefore rejected using the same art and rationale as applied

above.

As per claim 22, Barton et al. teaches wherein the occurrence index weighs the

total risk score based on the potential consequences of non-compliance (See

paragraphs 0081, 0084-0087, wherein a risk score is calculated based on these factors,

and wherein occurrence influences and affects the overall score. See also paragraphs

0072 and 0075).

As per claim 25, claim 25 is rejected using the same art and rationale set forth

above with respect to claim 21. Barton et al. further discloses assessing a potential

consequence of non-compliance, the potential consequence of non-compliance relating

to parameters and the values of such parameters (See figure 16 and paragraphs 7, 38,

42, 44, 55, that disclose potential consequences (failure effects) of failures of non-

compliance); determining an occurrence index based on the potential consequence of

non-compliance that was assessed, such that the occurrence index changes as the

parameters associated with the potential consequence of non-compliance change, the

occurrence index that is determined being one of at least three possible occurrence

indices, the at least three possible occurrence indices being provided as possible

occurrence indices (See figure 16 and paragraphs 81 and 84, which disclose an

occurrence index that results from the identified potential failures and the failure's

effects. The occurrence index can be chosen from a set of 1-10).

As per claim 26, Barton et al. teaches wherein the detection index by a

relationship between the number of queries or questions that were answered with a

particular response, the total number of queries or questions in the category, and the

number of departments or units responding (See paragraphs 0010, 0012-0014, 0049,

0051, 0060, wherein the questions are answered. Paragraphs 56-9, 62, 72, and 90,

specifically discuss the gathering of information from interviews and questionnaires into

the knowledge base of the system. This knowledge base is relied upon to determine

the detection index. See specifically paragraphs 0081 and 0084, wherein detection is

determined using the knowledge base).

Claim Rejections - 35 USC § 103

6.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

7.   Claims 23-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Barton et al. (U.S. 2002/0059093).

As per claims 23 and 24, Barton et al. teaches the potential consequence of non-

compliance (See paragraphs 0081 and 0084-0086). However, Barton et al. does not

expressly disclose that the potential consequence of non-compliance is based on the

total number of agents or employees affected by non-compliance or the total number of

policies in force.

Barton et al. discloses that the potential consequence of non-compliance, which

is considered in the system when determining an occurrence index.   It is old and well

known in the art that employees and the number of policies are factors that cause

occurrences of non-compliance, such as a regulation being violated by a policy or an

employee not following a rule. Therefore, it would have been obvious to one of ordinary

skill in the art at the time of the invention to consider employees affected by non-

compliance and the total number of policies in force in the occurrence index when

considering the potential consequence of non-compliance in Barton et al. in order to

more efficiently determine the potential for failure concerning the business by taking into

account the areas in which non-compliance events may occur. See paragraphs 0065

and 0084.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Dave Robertson whose telephone number is (571)272-

8220. The examiner can normally be reached on 9 am to 5 pm, M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Beth Van Doren can be reached on (571) 272-6737. The fax phone number

for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Dave Robertson/

Examiner, Art Unit 3623

/Beth Van Doren/

Supervisory Patent Examiner, Art Unit 3623